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ABSTRACT

Noting that a central tenet of the 1996 welfare reform law was that work was the best way to improve the lives of single parents and their children, this fact sheet summarizes research on the impact of parental work on children in families receiving welfare. The fact sheet delineates key research findings from experimental studies of the effects of pre-1996 mandatory parental employment programs and earnings supplements on infants and toddlers, school-age children, and adolescents. Findings were drawn from 10 welfare demonstration programs measuring effects on school-age children, 16 programs measuring effects on adolescents, and 2 programs measuring effects on infants and toddlers. Findings indicated that school-age children benefit when their parents are in programs that increase both employment and income. Increasing mothers' employment without increasing family income did not help children on welfare. The two studies examining effects on infants and toddlers did not find evidence that these program harmed or benefited them. Adolescents had negative academic outcomes when their parents were involved in mandatory employment, earnings supplements, or time-limited assistance programs. Several possible explanations for the effects of the programs are identified. Implications for policy relate to the benefits of policies that increase family income, the lack of benefits for increasing work without increasing income, the importance of child care assistance, and the concern about adolescents' negative academic outcomes associated with increased parental employment, independent of family income increases. (KB)

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National Association of Child Advocates
Washington, DC

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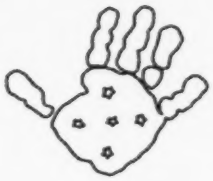

Welfare to Work: Does it Work for Kids?

Research on Work and Income Welfare Experiments

BY STEPHANIE A. SCHAEFER, PH.D.

A central tenet of the 1996 welfare reform law was that work was the best way to improve the lives of single parents and their children. People believed that employment would be good not only for the single mothers on welfare, but for their children, too — parents at work would set a good example for their children, as role models of self-sufficiency.

At the time, this assumption that parental work was good for kids was untested. But now, we have evidence from a dozen rigorous studies about how welfare programs for parents affect children.[1] The best research evidence shows that for single mothers on welfare, work by itself does not benefit children. Instead, this set of studies shows that school-age children benefit when their parents are in programs that increase **both** employment **and** income. Increasing mothers' employment without increasing family income does not help kids on welfare.*

KEY RESEARCH FINDINGS

Infants and Toddlers

☆ Because few of the studies looked at infants and toddlers, there is not enough research to tell us definitively how these welfare programs affected them. However, results from the two existing studies (an earnings supplement program, and a mandatory employment program) did not find evidence that these programs harmed or benefited infants and toddlers.[2] (Note that families in these programs had assistance in accessing and paying for child care.)

School-Age Children

☆ Mandatory employment ("work-first") programs did not benefit or harm school-age children in terms of school achievement, behavioral, or health outcomes.[3] (Note that families in these programs had assistance in accessing and paying for child care.)

☆ Programs that increase both income and employment (earnings supplement programs) benefited these children, resulting in small but meaningful increases in academic achievement and school performance.[4]

☆ ***Conclusion:*** Programs that increased income and employment were better for children, whereas programs that increased employment without increasing family income did not help (or hurt) children.

Adolescents

☆ Adolescent children had negative academic outcomes in each of the program types studied (mandatory employment, earnings supplements, and time-limited assistance programs), with poorer academic achievement, higher enrollment in special education services and grade retention.[5] While these program effects were small, they are quite important given that these adolescent children in welfare families are already at risk of poor school performance.

☆ Since the common factor for all these program types was increased maternal employment, it seems that single mothers' increased employment produced these negative outcomes for adolescent children. It is unclear which aspect of increased parental employment caused poorer school progress in adolescents: a negative effect on parenting, a decline in parents' monitoring of adolescents, or adolescents taking on family responsibilities such as paid employment or caring for siblings. There is some preliminary evidence that this negative effect on adolescents was due to teens taking on

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* Welfare programs, which decrease cash assistance benefits dollar for dollar as families increase their earnings, create the situation in which families increase employment earnings but see no increase in total family income.

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greater child care responsibility for younger siblings due to mothers' increased employment.[6]

☆ ***Conclusion:*** Several different types of welfare programs that increased single mothers' employment had negative consequences on adolescent children's school progress.

Across the board, children of welfare recipients have generally fared poorly on a variety of indicators when compared to higher-income children, and thus are at greater risk for negative developmental outcomes. The findings in this set of studies indicate only whether children of parents in these welfare demonstration programs fared better, worse, or the same as children in standard welfare programs.* ❖

* Standard welfare programs were structured like the AFDC (Aid to Families with Dependent Children) program, and were used as a comparison to the demonstration program.

Types of welfare policies studied

Increasing work but not income: Mandatory Employment

☆ Mandatory employment programs require parents to become employed or participate in employment-related activities, including job search, education, and skills training. These programs increase work but not income, because as families' earnings increase, cash assistance benefits are decreased on a dollar-for-dollar basis.

☆ The following mandatory employment programs were evaluated in these studies: the six National Evaluation of Welfare-to-Work Strategies (NEWWS) programs in Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California.

Increasing employment and income: Earnings Supplements

☆ Earnings supplement programs reward work by providing additional income to families which is tied to families' earnings (that is, families must have a certain level of earned income in order to receive earnings supplements).

☆ The following earnings supplements programs were evaluated in these studies: the Minnesota Family Investment Program (an incentives-only version and a full program version); Canada's Self-Sufficiency Project; and Milwaukee, Wisconsin's New Hope program. ❖

Why might we find these effects?

These experimental studies tell us about the outcomes for children, but not the underlying processes—how and why these effects happened. There are several possible explanations of the effects found in this research. Parental work can benefit kids in several ways: employed parents can serve as role models; earnings from parental work helps to meet children's basic needs; and work can have psychological benefits to the parent which enhance parenting. Parental work can also be detrimental to kids: parents' work-related stress can lead to harsh parenting; parents' time spent at work is time away from children, which can be problematic for single parents in particular if they do not have good alternatives for supervising and caring for children. This is likely part of the underlying issue creating the negative effects found for adolescents; younger children are more likely to be in a child care or educational setting, whereas fewer structured programs exist for adolescents (and adolescents may resist programs, preferring unsupervised independence).

Increased family income may have benefited school-age children in one of several possible ways. More income may have allowed families to better meet children's basic needs such as food, clothing, and shelter, or to pay for additional activities such as lessons or enrichment programs. Additional income may have reduced families' stress about meeting their needs, leading to better parenting, which benefits children. ❖

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IMPLICATIONS FOR POLICY

Policies that increase family income benefit kids.

☆ The following policy approaches are likely to benefit low-income kids: Earnings supplements, EITC (Earned Income Tax Credit), cash assistance, work supports including child care, Food Stamps, Medicaid and SCHIP (State Child Health Insurance Program).

Increasing work without increasing income does not help kids.

☆ The following policy approaches are not likely to help kids: Increasing work requirements without increasing family income; paying low or sub-minimum wages for jobs.

All of these findings are from programs that assisted families in accessing and paying for child care; children's outcomes might be more negative if families did not have assistance with child care.

☆ Any policy that increases parental work should ensure that families have access to child care.

Policies that increased parental employment (with or without family income increases) led to negative academic outcomes for adolescent children.

☆ Any policy that increases parental work should ensure that adolescents' needs for adult supervision, monitoring and age-appropriate activities are met. Ensuring that families have access to youth development programs is one policy approach that promotes adolescent children's needs. ❖

How important is this research?

☆ The type of studies reviewed here—experiments using random assignment*—are the strongest type of research evidence. Experimental studies such as these are the only type of research which can find causal relationships (i.e., a welfare policy *caused* a certain outcome).

☆ These findings are from studies of 10 welfare demonstration programs which measured effects on school-age children, and 16 programs which measured effects on adolescents. Generally, few studies have measured how children are affected by welfare policies, so there isn't as much evidence as one would like, but there's enough research to show a pattern of effects on children.

☆ It is important to note that these studies are evaluations of pre-1996 welfare law waiver or demonstration programs, so they are not directly evaluating effects of the current welfare reform law. These pre-1996 studies do not take into account the post-1996 economic environment, or possible effects of widespread, versus small-scale, welfare policy changes. However, these studies are the best information available about how specific welfare policies affect children.❖

* These studies randomly assigned people to the experimental welfare program or a regular (control group) program.

Endnotes

[1] Morris et. al., 2001; Morris et. al., 2002.
[2] Morris et. al., 2002.
[3] Morris et. al., 2001; Hamilton et. al., 2001.
[4] Morris et. al., 2001; Morris et. al., 2002.
[5] Morris et. al., 2002.
[6] Morris et. al., 2002.

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